Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

CONFIDENTIAL

PAGE 01 TEL AV 06347 01 OF 02 041523Z

51
ACTION NEA-06

INFO OCT-01 SS-14 ISO-00 EUR-08 SSO-00 NSC-05 NSCE-00

INR-05 INRE-00 PRS-01 EB-03 SAM-01 SAB-01 SP-02 L-01

CIAE-00 SAJ-01 PM-03 DODE-00 SCCT-01 IGA-01 RSC-01

/055 W
---------- 104311
O R 041320Z NOV 74
FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC IMMEDIATE 4459
INFO AMEMBASSY AMMAN
AMEMBASSY BEIRUT
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMCONSUL JERUSALEM
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS

C O N F I D E N T I A L SECTION 1 OF 2 TEL AVIV 6347

LIMDIS

DEPARTMENT PASS TO SECRETARY'S PARTY

E.O. 11652: GDS
TAGS: PFOR, PINT, IS, XF
SUBJ: ISRAEL--ON EVE OF SECRETARY'S VISIT

1. SUMMARY. ISRAELI LEADERSHIP AND PRESS IS EXCLUSIVELY PREOCCUPPIED WITH A) IMPLICATIONS OF RABAT SUMMIT CONFERENCE AND B) NATION'S ECONOMIC CRISIS. ISRAELIS UNANIMOUSLY AGREE THAT RABAT DECISION TO RECOGNIZE PLO AS SOLE REPRESENTATIVE OF PALESTINIANS HAS HURT PROSPECTS FOR MAINTAINING NEGOTIATING MOMENTUM AND HAS INCREASED RISK
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TEL AV 06347 01 OF 02 041523Z

OF WAR. AS REGARDS POSSIBLE NEXT STAGE IN NEGOTIATIONS WITH

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

EGYPT, ISRAELIS CONTINUE TO INSIST THAT ANY FURTHER WITHDRAWAL
MUST BE MATCHED BY EGYPTIAN POLITICAL CONCESSIONS. ON DOMESTIC
SCENE, ISRAELIS ARE PREPARING FOR MAJOR NEW ECONOMIC BELT-TIGHTEN-
ING PROGRAM IN EFFORT TO CONTROL CONTINUING HIGH INFLATION RATE AND
FOREIGN EXCHANGE DRAIN. GOI IS LOOKING TO CONINUING MASSIVE
US ASSISTANCE TO HELP SOLVE ECONOMIC PROBLEMS WITHOUT
SACRIFICING ITS MILITARY REQUIREMENTS. MOST ISRAELIS VIEW
FORMATION OF ENLARGED COALITION, INCLUDING NATIONAL RELIGIOUS
PARTY, AS ONLY POSITIVE DEVELOPMENT OF RECENT DAYS,
PROVIDING RABIN WITH FIRMER BASE TO CONFRONT CRUCIAL DECISIONS
WHICH LIE AHEAD ON INTERNATIONAL AND NATIONAL SCENE. END
SUMMARY.

2. GENERAL ATMOSPHERE IN ISRAEL IS COMPOUNDS OF UNCERTAINTY
AND PESSIMISM ABOUT IMPLICATIONS OF RABAT SUMMIT CONFERENCE'S
DECISION TO RECOGNIZE PLO AS SOLE REPRESENTATIVE OF ALL
PALESTINIANS, FOR FURTHER PROGRESS IN ARAB-ISRAELI NEGOTIATONS.
ISRAELIS BELIEVE THAT WAR PROSPECT HAS INCREASED, AND THAT AT
BEST NEGOTIATING PROCESS WILL BE CONSIDERABLY SLOWER AND MORE
DIFFICULT THAN IT HAS BEEN SO FAR. ISRAELIS ARE PARTICULARLY
SENSITIVE TO WHAT THEY PERCEIVE AS MILITANCY AND ARROGANCE
OF ARAB WORLD, INCLUDING SO-CALLED MODERATES, IN SUPPORTING
PLO WHICH IN ISRAELI EYES IS INTENT UPON DESTRUCTION OF
OF STATE OF ISRAEL.

3. PRIME MINISTER RABIN, IN ANTICIPATION OF MAJOR ADDRESS
TO KNESSET THIS WEEK, HAS ALREADY OUTLINED ISRAELI PERCEPTION
OF SITUATION BY NOTING THAT HE NO LONGER IS CERTAIN THAT EGYPT
IS PREPARED TO CONTINUE SEPARATE NEGOTIATING PROCESS AND THAT
THERE NOW ARE GRAVE DOUBTS AS TO JORDAN'S ROLE IN MONTHS
AHEAD. RABIN AND ALLON HAVE BOTH STATED FORCEFULY THAT, IF
HUSSEIN INDEED IS NO LONGER VIABLE NEGOTIATING PARTNER,
THERE IS NO ONE FOR ISRAEL TO TALK TO ABOUT POLITICAL SETTLEMENT
RE ISRAEL'S EASTERN FRONT.

4. EGYPT. ISRAELIS BELIEVE THAT SECRETARY WILL FOCUS HIS
EFFORTS ON TRYING TO SUSTAIN MOMENTUM OF NEGOTIATIONS FOR SECOND
STAGE EGYPTIAN-ISRAELI AGREEMENT. DESPITE SADAT'S SUPPORT
FOR PLO, WHICH IS OF COURSE DEEPLY RESENTED HERE, ISRAELIS HOLD
THAT EGYPT AT PRESENT APPARENTLY CONSTITUTES SOLE
CONFIDENTIAL

NEGOTIATING PARTNER LEFT. THEY ALSO BELIEVE, HOWEVER,
THAT SADAT WILL NOW BE MORE CONTENTIOUS AND INTRANSIGENT.
ISRAELIS ARE CONCERNED THAT SADAT WOULD NOT REPEAT NOT
SEE NEXT INTERIM STAGE AS A SIGNIFICANT STEP TOWARDS FINAL POLITICAL
SETTLEMENT, BUT RATHER A "MOVE FORWARD" ON THE GROUND IN
PROCESS OF LIBERATING ALL OCCUPIED TERRITORIES AND RESTORING RIGHTS
OF PALESTINIANS. FOR THEIR PART, ISRAELIS REMAIN ADAMANT
THAT ANY NEXT PHASE WITH EGHPT MUST INCLUDE

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

EGYPTIAN POLITICAL CONCESSIONS. WHETHER IN THIS PERSPECTIVE
IT REMAINS WORTHWHILE FOR GOI TO CONTINUE NEGOTIATIONS WITH SADAT
WILL DOUBTLESS BE SUBJECT OF EXTENSIVE COMMENTARY AND ANALYSIS
IN ISRAELI PRESS IN WEEKS AHEAD.

5. JORDAN. WHILE RABIN HIMSELF (AND OTHER SENIOR GOI LEADERS)
HAVE INTENTIONALLY REFRAINED FROM DRAWING ANY FINAL CONCLUSIONS
ABOUT IMPLICATIONS OF RABAT
CONFERENCE FOR HUSSEIN, ISRAELI PRESS IS VIRTUALLY UNANIMOUS
IN JUDGMENT THAT FOR TIME BEING HUSSEIN IS NO LONGER INTERLOCUTOR
FOR NEGOTIATIONS CONCERNING DISPOSITION OF WEST BANK.
MOREOVER, IT IS NOW DOMINANT ISRAELI JUDGMENT, AS IT WAS
NOT JUST TWO WEEKS AGO, THAT ANY NEGOTIATION WITH HUSSEIN RE
WEST BANK WOULD BE NOTHING MORE THAN INDIRECT MECHANISM
FOR MAKING TERRITORIAL CONCESSIONS TO PLO.

6. ISRAELIS DRAW TWO CONFLICTING CONCLUSIONS FROM THIS STATE OF
AFFAIRS FOR LIKELIHOOD OF HUSSEIN'S PARTICIPATION IN POSSIBLE
FUTURE ARAB-ISRAELI WAR. ONE VIEW IS THAT HUSSEIN NOW CAN MORE
EASILY STAY OUT OF CONFRONTATION THAN BEFORE, SINCE ARABS
THEMSELVES HAVE WRITTEN HIM OFF, WHILE OTHERS ARGUE THAT ONLY
BY JOINING WITH SYRIA IN NEW WAR COULD HUSSEIN HOPE TO REGAIN
SOME OF WEST BANK. ISRAELIS ARE ALSO DIVIDED ON QUESTION
AS TO WHETHER PASSAGE OF TIME, AND ISRAELI RESOLUTENESS
IN REFUSING TO DEAL WITH PLO, MIGHT ESTORE HUSSEIN TO STATUS
OF NEGOTIATING PARTNER IN ARAB EYES.

NOTE BY OC/T: NOT PASSED SECRETARY'S PARTY.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 TEL AV 06347 02 OF 02 041528Z

51
ACTION NEA-06

INFO OCT-01 SS-14 ISO-00 EUR-08 SSO-00 NSC-05 NSCE-00

INR-05 INRE-00 PRS-01 EB-03 SAM-01 SAB-01 SP-02 L-01

CIAE-00 SAJ-01 PM-03 DODE-00 SCCT-01 IGA-01 RSC-01

/055 W
---------- 104346
O R 041320Z NOV 74

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC IMMEDIATE 4460
INFO AMEMBASSY AMMAN
AMEMBASSY BEIRUT
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMCONSUL JERUSALEM
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS

C O N F I D E N T I A L SECTION 2 OF 2 TEL AVIV 6347

LIMDIS

DEPARTMENT PASS TO SECRETARY'S PARTY

7. PLO AND US MIDEAST POLICY. ISRAELIS(WITH EXCEPTION OF MINISCULE COMMUNIST MOVEMENTS) ARE FIRMLY CONVINCED THAT GOI SHOULD NOT DEAL WITH PLO, WHICH IS REGARDED HERE AS TERRORIST ORGANIZATION WHOSE PRINCIPLE OBJECTIVE IS DESTRUCTION OF STATE OF ISRAEL, EVEN IF THIS GOAL IS COVERED BY EUPHEMISM OF CREATION OF DEMOCRATIC-SECULAR PALESTINIAN STATE. GIVEN THIS VIEW, ISRAELI PRESS HAS ALREADY RAISED QUESTION OF HOW GOI SHOULD RESPOND IF US ASKS FOR RE-CONSIDERATION OF ISRAEL'S STATED REFUSAL TO NEGOTIATE WITH PLO. EVEN MODERATES WHO SUPPORT PRINCIPLE OF MAJOR TERRITORIAL CONCESSIONS IN
CONFIDENTIAL

CONFIDENTIAL

RETURN FOR PEACE BELIEVE THAT GOI SHOULD RESIST SUCH EFFORTS.

8. PROSPECTS OF WAR. MAIN THEME OF ISRAELI COMMENTATORS THIS WEEK HAS BEEN THAT RABAT CONFERENCE HAS HEIGHTENED LIKELIHOOD OF NEW WAR IN MONTHS AHEAD. ISRAELIS SEE ARABS AS WILLING TO RISK WAR IF POLITICAL PROCESS COLLAPSES. UN VOTE ON PLO, ARAB PERCEPTION OF SUCCESS OF 1973 WAR TO PROMOTE THEIR OBJECTIVES , AND DECISIONS OF RABAT CONFERENCE ARE SEEN AS CREATING NEW MEMENTUM TOWARD WAR IN ARAB WORLD. PRIVATELY, MANY ISRAELIS ACKNOWLEDGE THAT RENEWAL OF WAR IS ALSO VALID ISRAELI OPTION, IDF LEADERSHIP APPARENTLY BELIEVES THAT, GIVEN PRESENT GAP BETWEEN STATE OF PREPAREDNESS AND REARMAMENT OF ARABS AND ISRAELIS, IT IS IN ISRAEL'S INTEREST FOR WAR, IF IT HAS TO COME, TO OCCUR EARLIER RATHER THAN LATER. IT IS NOTEWORTHY THAT HAARETZ'S DISTINGUISHED MILITARY CORRESPONDENT HAS CONCLUDED LENGHTLY SERIES THIS WEEK ON NEXT WAR BY RAISING ISSUE FOR GENERAL PUBLIC OF WHAT ARAB ACTIONS WOULD CONSTITUTE CAUSUS BELLI.

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

9. ISRAELI ECONOMIC SITUATION WORSENS. IN ADDITION TO THESE
CONCERNS IN INTERNATIONAL AREANA, ISRAEL ALSO IS CONFRONTED BY ONE
OF MOST SERIOUS ECONOMIC CRISES EVER IN ITS HISTORY . GOI
IS EXPECTED TO ANNOUNCE NEW SERIES OF BELT-TIGHTENING MEASURES
IN LATEST EFFORT TO COPWHYNOJDVXRMBIDYKAELGIEQZNOMY. #
MAJOR
CONCERN AT PRESENT IS EROSION OF FOREIGN EXCHANGE RESERVES,
AS ISRAEL CONTINUES TO SUFFER MOUNTING TRADE GAP AND HIGH
INFLATION RATE(ABOUT 33PERCENT IN 1974). PUBIGVAQUDENCE # HAS
BEEN SHAKEN BY RECENT BANKING AND FINANCIAL SCANDALS.
THESE BANK FAILURES HAVE BEEN ACUTELY EMBARRASSING TO
GOVERNMENT AND TO ISRAEL'S SUPPORTERS AROUND THE WORLD, AND
COULD ADVERSELY AFFECT FLOW OF BADLY NEEDED FOREIGN INVESTMENT.
AS SECURITY AND IMMIGRANT ABSORPTION REMAIN HIGH PRIORITIES,
GOI PROBABLY WILL MAKE NEW EFFORT TO BRING ECONOMY BETTER
UNDER CONTROL THROUGH MEASURES DESIGNED TO LIMIT IMPORTS, REDUCE
GOVERNMENT SERVICES AND REDUCE CONSUMPTION IN PRIVATE
SECTOR. REAL QUEZXSIWZMTELLEIFMXPBQMJ#IS WHETHER RABIN GOVERNMENT
WILL FEEL SUFFICIENTLY STRONG TO IMPOSE NECESSARY THOUGH
PAINFUL AUSTERITY PROGRAM ON POPULATION. GOI NOT RPT NOT
CONSIDERING SCALING DOWN OF ITS ENORMOUS MILITARY REQUIREMENTS
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TEL AV 06347 02 OF 02 041528Z

AS RESULT OF ECONOMIC DIFFICULTIES. GOI OBVIOUSLY HOPES
DOMESTIC ECONOMIC MEASURES PLUS MASSIVE US GRANT
ASSISTANCE WILL SOLVE ITS PROBLEMS WITHOUT ADVERSELY AFFECTING
ITS ARMAMENT PLANS.

10. AMIDST THESE DIFFICULTIES, FORMATION OF NEW GOVERNMENT
COALITION OCTOBER 30, BRINGING NRP BACK TO FOLD AFTER FIVE
MONTHS IN OPPOSTION, IS GENERALLY REGARDED HERE AS POSITIVE
DEVELOPMENT. MOST ISRAELI OBSERVERS BELIEVE THAT RABIN
NOW HAS SIGNIFICANTLY MORE STABLE GOVERNMENT TEAM, NOT ONLY
IN NUMERICAL SENSE, BUT AS EMBODIMENT OF MAINSTREAMS OF
ISRAELI SOCIETY. LIKUD OPPOSTION FOR TIME BEING IS IN
RELATIVELY ISOLATED AND STERILE POSITION. ONE OBSERVER HAS
CHARACTERIZED NEW COALITION, REPEATING FORMUAL OF MEIR
GOVERNMENTS, AS NEW MINI NATIONAL UNITY GOVERNMENT.

11. SIGN OF TIMES IS THAT ISRAELI COMMENTATORS ARE BEGINNING
TO SPECULATE RE-RELATIONSHIP BETWEEN POSSIBLE NEW AREAND FUTURE
RABIN GOVERNEMENT. IF WAR PROPSECT APPROACHES MORE CLOSELY,
SOME ISRAELIS EVEN BELIEVE THAT RABIN MAY BRING LIKUD INTO
FULL FLEDGED NATIONAL UNITY GOVERNMENT. OTHERS BELIEVE RABIN
WOULD NOT RPT NOT INVITE LIKUD IN AND AS RESULT EMERGE
FROMWAR(OBVIOUSLY VICTORIOUS) IN MUCH STRENGTHENED
POSITION.
KEATING

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

NOTE BY OC/T: NOT PASSED SECRETARY'S PARTY.
NOTE BY OC/T: SECTION 2 OF 2 TEL AVIV 6347; #PARA. 9.
AS RECEIVED. CORRECTIONS TO FOLLOW.

CONFIDENTIAL

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MINISTERIAL VISITS, SUMMIT MEETINGS, PEACE TALKS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 NOV 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: SmithRJ
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TELAV06347
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740316-0216
From: TEL AVIV
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741172/aaaacjfi.tel
Line Count: 279
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: SmithRJ
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 30 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 APR 2002 by rowelle0>; APPROVED <25 MAR 2003 by SmithRJ>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ISRAEL--ON EVE OF SECRETARY'S VISIT
TAGS: PFOR, PINT, IS, XF, JO, EG, PLO, (KISSINGER, HENRY A)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005